

REMARKS

By the foregoing Amendment, Claims 15-17, 19, 20 and 24 are amended. Entry of the Amendment, and favorable consideration thereof, is earnestly requested. Claims 1-28 are currently pending.

In the Supplemental Examiner's Answer mailed December 24, 2008, Claims 15-28 are newly rejected under 35 U.S.C. 101 in view of Supreme Court precedent and recent Federal Circuit decisions. Specifically, Claims 15-28 are rejected because the method steps claims therein are not tied to a machine and may be performed with the human mind.

Claims 15-17, 19, 20 and 24 have been amended in a way which Applicant respectfully submits obviates the outstanding rejection under 35 U.S.C. 101. More specifically, these claims have been amended to explicitly require not only that the method overall be computer implemented (i.e., by stating such in the preamble), but also that various of the positively recited steps are performed with a computer system. Further, Claims 15 and 24 have been amended to require that the trade order information and the trade execution information are received by the computer system via a communications link. In view of these amendments, Applicant respectfully submits that it would be impossible to perform the claimed method without the use of a particular machine and with only the human mind. As

such, Applicant respectfully submits that the rejection under 35 U.S.C. 101 should be withdrawn.

Claims 1, 3, 4, 6-9 and 15-23 stand rejected under 35 U.S.C. 103(a) as being unpatentable over Hawkins et al. (US 5,497,317) and Sandhu et al. (US 6,347,307) in view of each other. Applicant respectfully traverses this rejection for the reasons stated below with respect to each claim.

First, Applicant points out that even assuming that all of the statements made by the Examiner were completely accurate (which Applicant believes is not the case for the reasons discussed below), the Examiner would still only have made a prima facie showing of unpatentability of Claims 1 and 15. This is true because only Claims 1 and 15 are limited to the elements which the Examiner contends are disclosed, taught or suggested by the cited prior art.

Each of rejected Claims 3, 4, 6-9 and 16-23, which depend either directly or indirectly from Claims 1 and 15, respectively, add further limitations thereto, as set forth in detail below. As such, the requirements of these claims must be considered because it is improper to fail to consider any limitation in the claims. In

re Geerdes, 491 F.2d 1260, 1262, 180 U.S.P.Q. 789, the 791 (CCPA 1974)

(“every limitation in the claim must be given effect rather than considering one in isolation from the others”). The Examiner has made no prima facie showing that the elements of these dependent Claims are disclosed, taught or suggested by any prior art reference, and indeed Applicant respectfully submits that the Examiner cannot do so, as these claims all distinguish the prior art.

Thus, all of rejected Claims 3, 4, 6-9 and 16-23 require material elements which the Examiner has not cited as being disclosed, taught or suggested by any of the cited prior art, thereby clearly failing to make a prima facie showing of unpatentability with respect to these claims.

Independent Claims 1 and 15

Claims 1 and 15 are directed to an apparatus and method, respectively, for facilitating the processing and settlement of an already executed securities trade. The apparatus and method compares trade execution information received from one trading party with trade order information received from a second trading party and determines that a match exists if block level trade execution information and block level trade order information correlate within a set of predefined acceptable

trade parameters. Before making such a comparison, however, the apparatus and method determines the block level trade execution information based upon the received trade execution information and determines the block level trade order information based upon the received trade order information. In accordance with the system and method of the present invention, it is such block level trade execution information and block level trade order information which is compared to determine whether or not a match exists.

Applicant respectfully submits that none of the cited prior art, nor any prior art of which Applicant is aware, discloses, teaches or suggests these limitations.

The system disclosed in Hawkins et al. operates in a completely different manner than does the present invention as claimed. The system of Hawkins et al. receives an ordered trade form from an ordering broker and automatically fills in a transaction field 408 of the ordered trade form with a numeric ID specific to the particular transaction. (See column 13, lines 46-47). The order is then transmitted to the executing broker, who, after executing the order, fills in an executed trade form. The system receives this executed trade form and automatically fills in a transaction field 610 of the executed trade form with a numeric ID specific to the particular transaction. (See column 14, lines 23-24). If the order was placed

manually (i.e., outside the system), the executed trade form may be generated first, transmitted to the ordering broker, and then the ordered trade form completed. (See column 11, lines 48-56). However, in either event, the ordered trade form and the executed trade form must be entered sequentially.

Sandhu et al. discloses a system and method that enables members to engage in capital market transactions and interactively communicate via the Internet. The system includes a variety of servers, applications, and interfaces that enable users to interactively communicate and trade financial instruments among one another, and to manage their portfolios. Interactive communications supported by the system include: requesting price quotes, monitoring and reviewing quote requests, issuing price quotes, monitoring and reviewing price quotes, negotiation between users, acceptance of price quotes, reporting, portfolio management, analysis of financial information and market data, calendaring, and communications among users and/or system administrators, including e-mail, chat, and message boards. However, there is no disclosure, teaching or suggestion of any trade settlement matching even remotely similar to the claimed matching process.

Applicant respectfully submits that there are several elements of the present invention as claimed that are not disclosed, taught or suggested by the two cited references, either alone or in combination.

As mentioned above, the apparatus and method of the present invention as claimed compares trade execution information received from one trading party with trade order information received from a second trading party and determines that a match exists if the block level trade execution information and the block level trade order information correlate within a set of predefined acceptable trade parameters. The determination of the block level information and the comparison thereof provides a number of significant benefits, as described in detail in the current application in paragraphs [0029] - [0032]. Specifically, it should be recognized that the trade execution information and the trade allocation information may be submitted in a number of ways. For example, the information may be submitted at a block level (i.e., at a trade level) with the associated allocation level (i.e., showing the contract detail for the trade) being submitted therewith, or the information may be submitted at the allocation level only. This variation in submission format can clearly complicate the matching processes.

The Examiner cites Hawkins et al. as disclosing “software executing on said computer for determining block level trade information” for both the ordering

party and executing party. While Applicant acknowledges that Hawkins et al. states that “if funds A, B, and C managed by a single institution all wish to buy 10,000 shares of XYZ Corp. stock, then the institution will place a single buy order with a particular broker for a block of 30,000 shares of XYZ Corp. stock” (see col.6 ll. 67 to col. 7 ll. 4), Applicant respectfully submits that even assuming that this teaches “block level trade information” as claimed there is no disclosure, teaching or suggestion whatsoever in Hawkins et al. that this “block level trade information” is what is compared to determine that a match exists. Moreover, there is nothing in Hawkins et al. that discloses, teaches or suggests in any way that a determination is made that a match exists if the block level trade information correlates within a set of predefined acceptable trade parameters. Instead, as discussed in more detail above, Hawkins et al. relies upon a sequential exchange of messages, not any sort of matching of block level trade information.

The Examiner also asserts that an artisan of ordinary skill in the art at the time of the invention would have been motivated to substitute the interactive servers in Sandhu et al. for the central database in Hawkins et al. as an alternative communications link between the system and users. However, even if such were true, the resulting combination would not disclose, teach or suggest the present invention as claimed. This is true because, like Hawkins et al., Sandhu et al. does not disclose, teach or suggest in any way comparing trade execution information

received from one trading party with trade order information received from a second trading party and determining that a match exists if the block level trade execution information and the block level trade order information correlate within a set of predefined acceptable trade parameters.

As such, even if Hawkins et al. and Sandhu et al. were combined, the resulting apparatus or method would not include all elements required by any claim, since both references fail to disclose, teach or suggest in any way the above-highlighted elements of all claims. Rather, the result of such a combination would be the sequential message based settlement system of Hawkins et al. incorporating the interactive servers of Sandhu et al. Appellants respectfully submit that this is not even close to what is claimed.

As neither Hawkins et al. nor Sandhu et al., either alone or in combination, discloses, teaches or suggests each of the elements required by all claims, Applicants respectfully submit that there is no basis for a rejection of Claims 1 and/or 15 under 35 U.S.C. §103(a).

Dependent Claims 2 and 16

The Examiner has objected to Claim 2 as being dependent upon a rejected base claim, but has indicated that Claim 2 contains allowable subject matter, in the Office Action mailed April 20, 2006. Applicant respectfully submits that Claim 16 contains substantially the same elements as does Claim 2, and that Claim 16 should therefore be allowable for the reasons that Claim 2 was indicated as containing allowable subject matter.

More specifically, in addition to the limitations of Claim 15, Claim 16 requires, among other limitations, that the trade execution information comprises an indication of the block level trade execution information, and that the block level trade execution information is extracted from the trade execution information.

Applicant respectfully submits that none of the above-highlighted limitations are disclosed, taught or suggested in any way by the cited prior art, either taken alone or when combined. While Applicant acknowledges that Hawkins et al. states that “if funds A, B, and C managed by a single institution all wish to buy 10,000 shares of XYZ Corp. stock, then the institution will place a single buy order with a particular broker for a block of 30,000 shares of XYZ Corp. stock” (see col.6 ll. 67 to col. 7 ll. 4), Applicant respectfully submits that even assuming that this teaches “block level trade information” as claimed there is no disclosure, teaching

or suggestion whatsoever in Hawkins et al. that this “block level trade information” is extracted and used for any purpose.

Dependent Claims 3 and 17

In addition to the limitations of Claims 1 and 15, Claims 3 and 17 require, among other limitations that the trade execution information comprises an indication of allocation level trade execution information but not an indication of the block level trade execution information, and that the block level trade execution information is generated based upon the allocation level trade execution information.

Applicant respectfully submits that none of the above-highlighted limitations are disclosed, taught or suggested in any way by the cited prior art, either taken alone or when combined. In view of the fact that the Examiner has not even attempted to point out how the limitations in question are met by any of the cited prior art, either alone or in combination, Applicant does not know how to respond to the rejection of Claims 3 and 17, other than to point out that neither Hawkins et al. nor Sandhu et al. discloses, teaches or suggests in any way the generation of block level trade execution information, never mind the generation of such block

level trade execution information based upon the allocation level trade execution information.

Dependent Claims 4 and 18

In addition to the limitations of Claims 3 and 17, Claims 4 and 18 require, among other limitations that the generated block level trade execution information is replaced by later received block level trade execution information.

Applicant respectfully submits that none of the above-highlighted limitations are disclosed, taught or suggested in any way by the cited prior art, either taken alone or when combined. In view of the fact that the Examiner has not even attempted to point out how the limitations in question are met by any of the cited prior art, either alone or in combination, Applicant does not know how to respond to the rejection of Claims 4 and 18, other than to point out that neither Hawkins et al. nor Sandhu et al. discloses, teaches or suggests in any way the generation of block level trade execution information, never mind that the generated block level trade execution information be replaced by later received block level trade execution information.

Dependent Claims 5 and 19

The Examiner has objected to Claim 5 as being dependent upon a rejected base claim, but has indicated that Claim 5 contains allowable subject matter, in the Office Action mailed April 20, 2006. Applicant respectfully submits that Claim 19 contains substantially the same elements as does Claim 5, and that Claim 19 should therefore be allowable for the reasons that Claim 5 was indicated as containing allowable subject matter.

More specifically, in addition to the limitations of Claim 15, Claim 19 requires, among other limitations, that the trade order information comprises an indication of the block level trade order information, and that the block level trade order information is extracted from the trade order information.

Applicant respectfully submits that none of the above-highlighted limitations are disclosed, taught or suggested in any way by the cited prior art, either taken alone or when combined. While Applicant acknowledges that Hawkins et al. states that “if funds A, B, and C managed by a single institution all wish to buy 10,000 shares of XYZ Corp. stock, then the institution will place a single buy order with a particular broker for a block of 30,000 shares of XYZ Corp. stock” (see col.6 ll. 67 to col. 7 ll. 4), Applicant respectfully submits that even assuming that this teaches “block level trade information” as claimed there is no disclosure, teaching

or suggestion whatsoever in Hawkins et al. that this “block level trade information” is extracted and used for any purpose.

Dependent Claims 6 and 20

In addition to the limitations of Claims 1 and 15, Claims 6 and 20 require, among other limitations that the trade order information comprises an indication of allocation level trade order information but not an indication of the block level trade order information, and that the block level trade order information is generated based upon the allocation level trade order information.

Applicant respectfully submits that none of the above-highlighted limitations are disclosed, taught or suggested in any way by the cited prior art, either taken alone or when combined. In view of the fact that the Examiner has not even attempted to point out how the limitations in question are met by any of the cited prior art, either alone or in combination, Applicant does not know how to respond to the rejection of Claims 6 and 20, other than to point out that neither Hawkins et al. nor Sandhu et al. discloses, teaches or suggests in any way the generation of block level trade order information, never mind the generation of such block level trade order information based upon the allocation level trade order information.

Dependent Claims 7 and 21

In addition to the limitations of Claims 6 and 20, Claims 7 and 21 require, among other limitations that the generated block level trade order information is replaced by later received block level trade order information.

Applicant respectfully submits that none of the above-highlighted limitations are disclosed, taught or suggested in any way by the cited prior art, either taken alone or when combined. In view of the fact that the Examiner has not even attempted to point out how the limitations in question are met by any of the cited prior art, either alone or in combination, Applicant does not know how to respond to the rejection of Claims 7 and 21, other than to point out that neither Hawkins et al. nor Sandhu et al. discloses, teaches or suggests in any way the generation of block level trade order information, never mind that the generated block level trade order information be replaced by later received block level trade order information.

Dependent Claims 8 and 22

In addition to the limitations of Claims 1 and 15, Claims 8 and 22 require, among other limitations that the trade execution information and the trade order information may be received in any order.

Applicant respectfully submits that none of the above-highlighted limitations are disclosed, taught or suggested in any way by the cited prior art, either taken alone or when combined. As discussed in more detail above, Hawkins et al. discloses a system that relies on a rigid sequential flow of messages. More specifically, in the Hawkins et al. system, the trade order information must be received before the trade execution information in order for the system to properly function. Moreover, Sandhu et al. does not even disclose the receipt of trade execution information and the trade order information, and therefore, certainly does not disclose, teach or suggest that trade execution information and the trade order information may be received in any order.

Dependent Claims 9 and 23

In addition to the limitations of Claims 1 and 15, Claims 9 and 23 require, among other limitations that the trade execution information and the trade order information may be received at any time prior to trade settlement.

Applicant respectfully submits that none of the above-highlighted limitations are disclosed, taught or suggested in any way by the cited prior art, either taken alone or when combined. As discussed in more detail above, Hawkins et al. discloses a system that relies on a rigid sequential flow of messages. As such,

there are very limited time frames when each of the trade execution information and the trade order information may be received, and the information in question may not be received at any time prior to trade settlement. Moreover, Sandhu et al. does not even disclose the receipt of trade execution information and the trade order information, and therefore, certainly does not disclose, teach or suggest that trade execution information and the trade order information may be received at any time prior to trade settlement.

For the foregoing reasons, Applicant respectfully submits that all pending claims, namely Claims 1-28 are patentable over the references of record, and earnestly solicits allowance of the same.

Respectfully submitted,

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